

2021 Annual Agency Plan

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Housing & Community
Services/Wichita Housing
Authority

October 6, 2020



Background



- Public Housing Authorities (PHAs) are required to prepare an annual agency plan
- The WHA has 578 units of Public Housing and 3,037 Housing Choice Vouchers
- HCV Jurisdiction includes Sedgwick, Butler and Harvey Counties with exception of Newton
- The Annual Agency Plan documents include method of rent determination, general operating policies and procedures, and a statement of capital improvements



WHA Accomplishments



- Expand housing supply – Applied for VASH vouchers when available. Currently have 208 active vouchers and awarded 10 Foster Youth to Independence Vouchers
- Implemented a Residency and Homeless Preference in the HCV Program
- Promoted Self-Sufficiency –127 current FSS participants. Seven scheduled to graduate in 2020. Two ready for homeownership



WHA Accomplishments



- Individual and Family Development – HCV 63; PH 42
- The Way to Work 2020 - 98 youth in age-appropriate jobs
- Working with Cox Communications to provide internet access for low and very low income families
- Provided food boxes to seniors in Public Housing



2021 Goals



- Advocate and Market for Fair Housing
- Increase HCV utilization
- Strengthen Family Self Sufficiency program by merging FSS & IFD staff and programming
- Use the Way to Work to develop job skills and opportunities for youth age 14-17
- Effectively transition from Senior Public Housing Properties to RAD.



Capital Fund Program 2021



Proposed Budget and Uses	
<i>Based on 2020 Award</i>	<i>\$1,470,462</i>
Operations @ 25%	\$367,615
Administration @ 10%	\$147,046
Fees and Costs	\$100,000
Rehab/Demo/Dispo	\$427,900
Temporary Location	\$427,901



WHA RAD Background



- Authorized by Congress under the FY12 HUD appropriations act, the Rental Assistance Demonstration (RAD) allows PHAs to convert units from their original sources of HUD financing to project-based Section 8 contracts
- The primary benefit of RAD is that properties that convert under this process are no longer restricted from securing private sources of capital financing, and the owners are able to address deferred maintenance issues that have caused rental stock to deteriorate nationwide



WHA RAD Background



- Feb 2017 WHA Board approved RAD application
- Oct 2017 HUD approved the RAD application
- Oct 2017 Gil Group was hired as RAD consultant
- Mar 2018 KBK Enterprises selected as co-developer



Senior Project – Next Steps



- Financing plan is scheduled to be submitted to HUD 10/19/2020; this resident meeting is required prior to submission of the financing plan
- Tentative financing & RAD closing is scheduled for 2/22/2021
- Beginning late February/early March 2021 construction on Gragg & Hutcherson will begin in stages



Senior Project – Next Steps



- Staged construction at Gragg & Hutcherson:
 - Allows for current residents to remain in their current unit while vacant units are rehabilitated
 - Residents will move only once directly into rehabbed units
 - Then construction will begin on newly vacated units



Senior Project – Next Steps



- In late February/early March 2021, tenants at McLean will temporarily relocate to Greenway Manor and construction will begin on McLean Manor
- McLean Construction will take approximately 10 months
- Once construction is complete, McLean residents will return to McLean Manor and Greenway residents may apply to transfer permanently to any vacant rehabbed unit at McLean, Gragg, or Hutcherson or will be temporarily relocated to private units during construction



Senior Project – Next Steps



- Greenway Construction will take approximately 10 months
- Any resident temporarily relocated from Greenway will return to Greenway once construction is complete
- Relocation will be coordinated through RH Brown & Associates & paid for by the project
- Residents will continue to complete their income certifications and pay only 30% of monthly adjusted income



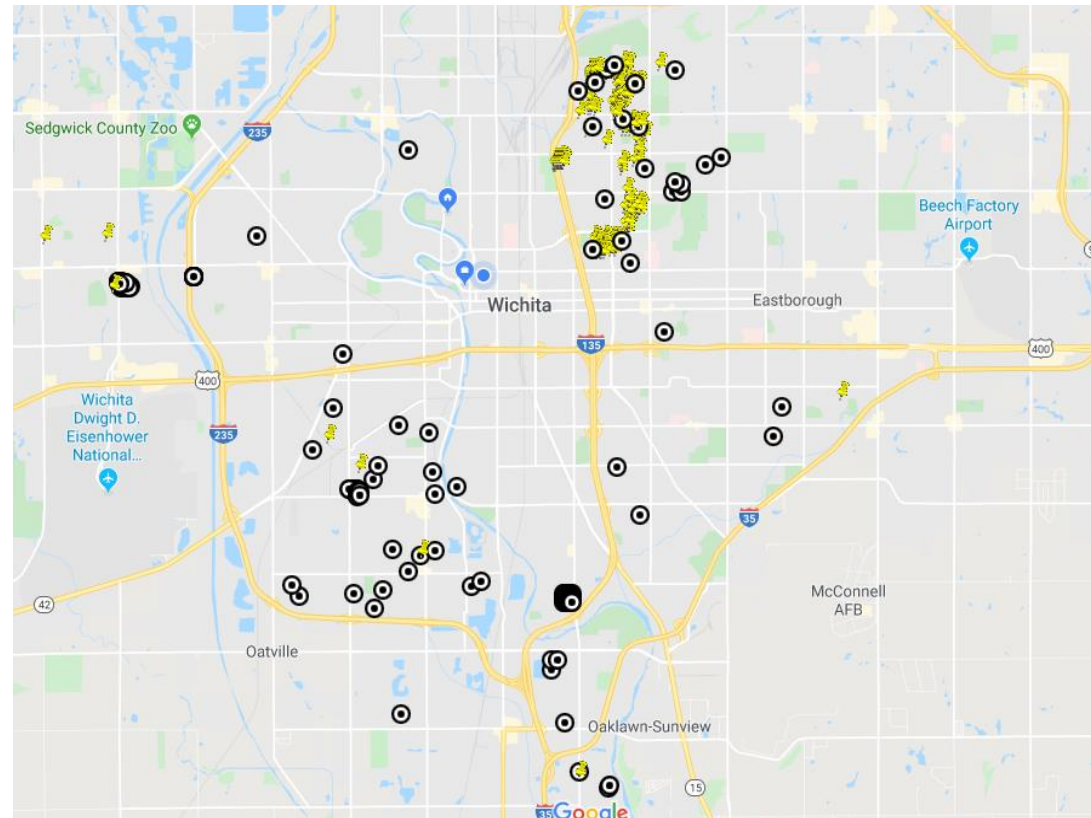
WHA – Single Family Scattered Site Units



352 Single Family
Homes located
throughout Wichita

Yellow pins – Asset Management Portfolio 3

Targets – Asset Management Portfolio 4



Wichita RAD Single Family LLC



- In February 2019, it was determined that per 24CFR200.73, 146 of our scattered site units were too scattered to qualify for HUD financing
- In March 2019, a waiver request for 24CFR200.73 was submitted to the Fort Worth Field Office; the request was denied in April 2019
- After denial, KBK proposed to restructure the Single Family project into two projects – one with the 206 units that qualify for FHA financing and one with the 146 units that are too scattered



Wichita RAD Single Family LLC



- In June 2019, BOA's withdrawal of its Letters of Intent left the project with no equity partner



Wichita RAD Single Family LLC



- From 6/19-12/19 approached multiple investors with no success:
 - National Equity Fund (NEF)
 - Midwest Equity Partners
 - Redstone Capital
 - HAI/RBC Capital
 - Citi Capital
 - Boston Capital
 - Affordable Housing Partners (AHP)/Berkshire Hathaway



Wichita RAD Single Family LLC



- Tax credits and bond volume cap expired 12/31/19
- At this point, WHA was unable to secure necessary financing



Repositioning Options



- HUD's Section 18 Demo/Dispo Program
 - The PHA will apply to demolish or dispose of any number of units and request to transfer the rental subsidy to a newly constructed property or properties
 - Properties must be sold at market value with current occupants having the first right to purchase. All proceeds return to the replacement property



Repositioning Options



- HUD's Section 18 Demo/Dispo Program
 - The PHA must demonstrate that the retention of the property is not in the best interest of the residents or the PHA because one of the following:
 - Conditions in the area surrounding the public housing project adversely affect the health or safety of the residents or the feasible operation of the project by the PHA
 - Disposition allows the acquisition, development, or rehabilitation of other properties that will be more efficiently or effectively operated as low-income housing



Repositioning Options



- HUD's Section 22 Voluntary Streamlined Conversion
 - Only available to small Public Housing Programs of less than 250 units if the conversion:
 - Is not more expensive than continuing to operate public housing;
 - Principally benefits residents, the PHA and the community; and
 - Has no adverse effect on the availability of affordable housing in the community



Repositioning Options



- HUD's Section 22 Voluntary Streamlined Conversion
 - Can apply when a larger program has converted public housing properties under any repositioning strategy and has 250 units or less remaining in Public Housing
 - Residents receive a Tenant Protection Voucher – tenant based rent assistance but may be project-based if the tenant agrees



Next Steps- Single Family Units



- WHA will apply to HUD to demolish and/or sell the properties with a preference for continued affordable rentals or affordable homeownership with first right of refusal by current residents
- Provide residents with permanent relocation through the Housing Choice Voucher program with the assistance of the relocation coordinator RH Brown & Associates
- WHA will provide Project Based Vouchers for single family units when developers want to maintain them as affordable rental units



New Affordable Rental Housing



- Development of new Multifamily Replacement Rental Housing
 - 40 to 60 unit properties
 - Some Accessible Units



New Affordable Rental Housing



Possible Financing Sources	
Proceeds from single family sales	HOME Program
4 percent or 9 percent tax credits	CDBG Program
Federal Home Loan Bank-AHP	HUD Loans
HUD Fair Cloth Units	Project Based Vouchers



WHA Annual Plan Schedule



- Resident Advisory Board Review 8/12/20
- 45-day Public Review & Comment 8/17/20 to 9/30/20
- Public Hearing 10/06/20
- Submit to HUD 10/09/20



Recommendation



- It is recommended that the Wichita Housing Authority Board conduct the public hearing on the Wichita Housing Authority 2021 Annual Agency Plan, approve the Plan and authorize the necessary signatures to certify the Annual Agency Plan for submission to the U.S. Department of Housing and Urban Development



2021 Annual Agency Plan

Housing & Community Services/Wichita Housing Authority

